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C O N F I D E N T I A L SECTION 01 OF 04 KIEV 002678

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TAGS: [PGOV](#) [PREL](#) [UP](#)
SUBJECT: UKRAINE: ORANGE OPTIONS IN THE WAKE OF THE
MOROZ-REGIONS MANEUVER

REF: KIEV 2651

Classified By: Ambassador, reason 1.4 (b,d)

¶1. (C) Summary: Ambassador met with Presidential Chief of Staff Rybachuk, former PM Tymoshenko, Our Ukraine (OU) Party leaders Roman Bezsmertny and Roman Zvarych, and OU Political Council member and former National Security and Defense Council Secretary Anatoliy Kinakh July 8 and Acting Foreign Minister (and OU Political Council Member) Tarasyuk July 10 to discuss orange options in the wake of the stunning collaboration between Socialist Party Leader Moroz and Party of Regions to elect Moroz Speaker and form a new majority of Regions-Socialists-Communists (reftel). The options included: President Yushchenko dismissing the Rada, which looked very unlikely as of July 10 (though Tymoshenko said she was ready to facilitate a dismissal through a blockade of the Rada if Yushchenko found the courage to take the tough decision); OU joining Regions in a broad coalition (which OU leaders said could happen if someone other than Yanukovych was PM and if the coalition accepted Yushchenko's strategic external and domestic policy directions); or OU going into opposition with Tymoshenko's bloc (BYuT). Rybachuk said that Yushchenko was closely examining the first two options; Bezsmertny indicated July 8 he thought OU would most likely end up with the third option; Tarasyuk's comments late July 10 suggested the broad coalition was most likely. Tymoshenko was a firm advocate of Rada dismissal and warned she would go into hard opposition to both a Regions-OU broad coalition and Yushchenko if OU cut a deal.

¶2. (SBU) Yushchenko himself sent mixed signals in his public messages on the political turmoil, both in a July 8 Radio address and a July 10 public statement. Seemingly ruling out the Rada dismissal option, he said he would "not accept any confrontational scenarios which can harm the people of Ukraine and undermine the country's stability. I impartially demand that parliamentary parties legitimately form a coalition." Setting up a potential confrontation, he said he would not forward a PM nominee to the Rada until Constitutional Court judges were sworn in. Attempting to shape the policies of the government, he said: "there will be no return to Kuchmism. Ukraine will move forward towards the European Union. The chosen domestic and foreign policies will remain the same."

¶3. (C) Comment: Given Yushchenko's character, it is not surprising he seems to have ruled out the path of confrontation a Rada dismissal and a new election campaign would entail. It is clear that Regions intended the Socialists-Communist pairing as an "in the bag" Option B, useful leverage on Our Ukraine to force a broad coalition, which has always been Regions' preferred Option A. The major downside for Our Ukraine in agreeing to a broad coalition, even on its own terms: an energized Tymoshenko in opposition to both the coalition and President Yushchenko, with her eyes set on the Presidency in 2009. End Summary and Comment.

Three Options for Orange

14. (C) Orange leaders Tymoshenko, Bezsmertny, Kinakh, and Rybachuk separately described the three options currently under consideration by Yushchenko and the two orange parties to Ambassador July 8:

--Rada dismissal/New elections: Yushchenko dissolves the Rada and calls for new elections (strongly favored by Tymoshenko, attractive to Bezsmertny, under consideration by Yushchenko, according to Rybachuk). Would require coordinated action, including blockage of Rada business until Yushchenko had authority to dismiss the Rada, and agreement on how to run in repeat elections (OU wants a single list, Tymoshenko separate but coordinated). Yushchenko's public statement July 10 seemed to rule dismissal out.

--Broad Coalition (OU joins Regions): OU joins Yanukovych's Party of Regions in a broad coalition to pursue Yushchenko's stated external/domestic agenda; Tymoshenko goes into hard opposition and prepares for the 2009 Presidential campaign. (All OU interlocutors claimed that Yushchenko/OU would not accept Yanukovych as PM in this arrangement. Acting PM Yekhanurov and Kinakh were the two OU candidates mentioned, with Yushchenko favoring Yekhanurov. Given OU's weak record of negotiating competence, though, Yanukovych should not be ruled out.)

--United opposition: OU follows Tymoshenko into opposition together against a Regions-Socialist-Communist government that would have to attract another 60 defectors from OU and BYuT to override Yushchenko vetoes (note: 238 MPs supported

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Moroz as Speaker; 300 votes are required to override a Presidential veto).

What does Yushchenko want? (avoid conflict)

15. (C) Yushchenko's Chief of Staff Oleh Rybachuk told Ambassador July 8 that Yushchenko received PM-hopeful Yanukovych in the Presidential Secretariat for well over an hour earlier July 8. Tymoshenko claimed to Ambassador during a mid-day meeting that Yushchenko was receiving Regions financier Rinat Akhmetov as they spoke (note: when Yanukovych was headlining a Regions Party Conclave). Yanukovych was pushing hard for the broad coalition option, which Regions had formally broached with OU late July 7, when the ink on Regions' coalition agreement with the Socialists and Communists was barely dry. Rybachuk said that Yanukovych promised fealty to all of Yushchenko's policies and Yushchenko's reelection in 2009...if Yushchenko would endorse Yanukovych's PM candidacy. Rybachuk said that Yushchenko listened but did not commit. Yushchenko/OU really wanted to name one of their own as PM; otherwise, they would get little out of such a coalition. The two names floated had been Acting PM Yekhanurov and former PM Kinakh. (Note: Yanukovych told a visiting delegation in May that Regions would consider supporting Yushchenko's reelection in 2009 if OU joined a broad coalition with Regions.)

16. (C) According to Rybachuk, Yushchenko was also seriously considering the option of dismissing the Rada and calling new elections. While Regions had been pushing for new elections during their blockade of the Rada, they now had gone silent, with the prospect of a Regions-led government in hand. OU was seriously looking at the new elections prospect, said Rybachuk (note: with opinion polls showing current OU support ratings a fraction of the less than 14% they received in March, running separately from BYuT would be close to political death. OU Chair Roman Bezsmertny told Ambassador July 8 that OU would agree to new elections only if BYuT agreed to a single orange list. For the same reasons,

Tymoshenko told Ambassador July 8 that she would not agree to a single list, only close cooperation between two orange camps that needed to include all national-patriotic forces).

¶7. (SBU) Yushchenko himself sent mixed signals in his public messages on the political turmoil, both in a July 8 Radio address and a July 10 public statement. The latter seemingly ruled out the Rada dismissal option when he called for the formation of a coalition and presentation of its program as the next step forward, adding that he would "not accept any confrontational scenarios which can harm the people of Ukraine and undermine the country's stability." But Yushchenko also laid a marker down for new Speaker Moroz and aspirant PM Yanukovych, stressing that he would not forward a PM nominee to the Rada until Constitutional Court judges were sworn in (note: the Court has been without a quorum since October 2005 because the previous Rada, with Yanukovych and Moroz colluding with former Speaker Lytvyn, prevented the judges nominated by Yushchenko and the judiciary from being sworn in, out of fear that the Court might overrule the changes in the Constitution which took power away from the President in favor of the Rada).

¶8. (SBU) Yushchenko made some effort to shape the policies of the government, stating publicly what OU said it was demanding in private from Regions as a condition for a possible broad coalition: "there will be no return to Kuchmism. Ukraine will move forward towards the European Union. The chosen domestic and foreign policies will remain the same."

What does Tymoshenko want? (dismissal and new elections)

¶9. (C) In fighting form July 8, Tymoshenko told Ambassador that dismissal and new elections was the only option, but Yushchenko the problem. She appealed for like-minded forces inside the country and out to work together to convince Yushchenko to dismiss the Rada and avoid the fatal mistakes of a Broad coalition or what a narrow coalition would represent: the return to (Russian) empire and/or communism. She claimed that all of Yushchenko's closest people save Yekhanurov, who wanted to be a PM in a Regions-OU coalition, agreed with her "for the first time." Yushchenko's mentality and character would be the biggest challenge.

¶10. (C) Time was short, because BYuT would need to arrange a blockade before the Rada resumed work July 11. A blockade could prevent official registry of the new coalition and forwarding of the nomination of Yanukovych as PM to the Presidential Secretariat, which had received her own

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nomination July 7 and could act on it, even though it faced certain defeat in the Rada, "a loss I could bear." Acknowledging the lack of complete legal/constitutional clarity in such a situation, Tymoshenko said the President had sufficient authority to act; he simply needed to use it. (note: on this point, Tymoshenko and OU Chair Bezsmertny were in complete agreement; Bezsmertny sounded nostalgic when recalling Kuchma's iron will in times of crisis, such as the 1994-95 Crimean flirtation with separatism. Yushchenko needed to find such will, said Bezsmertny, or find a "bastard who can terrorize people for him." He jokingly suggested calling Kuchma out of retirement, before adding: "or appoint Yuliya to run the National Security and Defense Council for him.")

¶11. (C) Tymoshenko said that BYuT and OU's negatives would compound each other if they were to run together; instead BYuT and OU needed complete coordination and gather all national-patriotic-Maidan forces under two tents (note: the "run separately" strategy would clearly result in BYuT eclipsing OU as the only full-fledged Orange political force). New elections would produce a better Rada than the current swamp; "Moroz would have betrayed us eventually

anyway," she added.

¶12. (C) In contrast, if OU-Regions allied in a broad coalition, Tymoshenko vowed to be in hard opposition to both the coalition and Yushchenko as president; she would start preparing her run for President in 2009. She claimed that Akhmetov would dangle the prospect of Yekhanurov or Kinakh as PM to Yushchenko. She saw the broad coalition as more dangerous than the narrow one because Yushchenko/OU would provide temporary cover for Regions as it consolidated power via controlling the rest of the government. Regions would seek to buy out Yekhanurov/Kinakh (both could be bought, she said) or jettison them after six months.

What does Moroz want? (Presidency after the Speakership?)

¶13. (C) Comments from Socialist insiders made clear that Moroz was willing to agree to anything to become speaker again (reftel). While some OU types still harbored hopes July 10 that Moroz could be enticed to work with Orange again, Tymoshenko claimed to Ambassador July 8 that Moroz was lost forever to democratic forces. Sounding like a Mediterranean father whose daughter has eloped, she said: "forget about Moroz; he no longer exists in Ukraine for our efforts." His betrayal and ambition were greater than first appeared, she claimed. Moroz and Akhmetov had agreed to more than just the Speakership and a Regions-led coalition; Moroz would be "the East's" candidate for President in 2009, since Akhmetov had concluded that Donetsk could not elect one its own (note: Regions' deputy leader Makeyenko, originally from Chernihiv, told us the same last May). Tymoshenko also predicted an elated Kremlin would soon invite Moroz to Moscow to resolve the gas issue "personally."

What does OU want? (doesn't know)

¶14. (C) Separate meetings with Bezsmertny/OU Secretary Zvarych and OU Political Council member Kinakh July 8 and Tarasyuk July 10 showed OU wavering between the possible options. Bezsmertny analyzed the Rada dismissal, broad coalition, and go into opposition options, giving the coalition with Regions a 15% chance of happening, implying that he favored Rada dismissal/new elections if Tymoshenko would agree on a single list, but suggested OU going into opposition was the most likely course. OU's terms for Regions were: Yanukovych could not be PM (OU wanted one of its own), and Yushchenko's policy directions needed to guide the next government's policy.

¶15. (C) Noting Regions' formal invitation to OU late July 7 to open coalition negotiations, Kinakh indicated that he had already carried out informal consultations with Yanukovych and would have another session with him later July 8. Kinakh said that OU's two conditions were steadfast; OU was prepared "in principle" to go into opposition; its political council would meet late July 10 to assess options and the way forward after consulting with Yushchenko.

¶16. (SBU) OU and BYuT MPs held a joint caucus meeting at the Rada mid-day July 10. OU Press Secretary Tatiana Mokridi told us that OU still harbored hope that Moroz might "come back" to the orange team, though Socialist outcast Iosef Vinsky warned them to forget such "prodigal son" scenarios. Tymoshenko pushed for the dissolution/new elections option and said her supporters were ready to start picketing the Rada July 11; OU did not commit on any course of action,

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merely noting that its Political Council would meet late July
¶10.

¶17. (C) Tarasyuk told Ambassador late July 10, prior to joining the OU Political Council meeting, that the preferred outcome would be a broad coalition with Regions on OU's

terms. Going into opposition "would be very awkward for the President's party." It would be better for OU to be inside the government and affect policy; otherwise, Regions could more easily change the country's strategic direction. Tarasyuk's party Rukh had met July 8 and given him new flexibility in pursuing a different coalition; the previous mandate had been narrow, only for the orange option. OU had told Yanukovych that it did not want either the Communists or the Socialists as partners; Yanukovych had told them fine on the Communists but that the Socialists would stay.

What does Regions want? (coalition with OU, Yanu as PM)

¶18. (C) Note: Septel will report Ambassador's July 10 meeting with Yanukovych. It makes clear what we have known all along: Regions prefers partnering with OU and is willing to jettison the Communists. For now, Yanukovych resists the OU demand on the PM's slot. The remaining question on what increasingly appears to be the most likely alternative: who will give? While OU appears to think it has leverage on this point, Yanukovych is very confident of his return as PM.

¶19. (U) Visit Embassy Kiev's classified website at:
www.state.sgov.gov/p/eur/kiev.
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